

# MONTHLY FINANCIAL REPORT

## 2022-2023

---

AUGUST 2022

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SHIRE OF  
**COCOS**  
KEELING  
**ISLANDS**

MAJU PULU KITA | ADVANCE OUR ISLANDS

# SHIRE OF COCOS (KEELING) ISLANDS

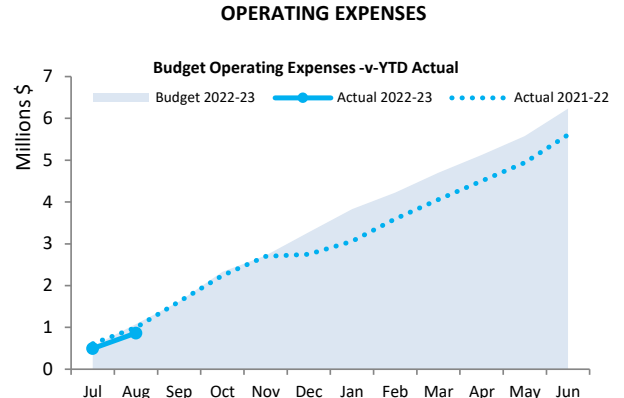
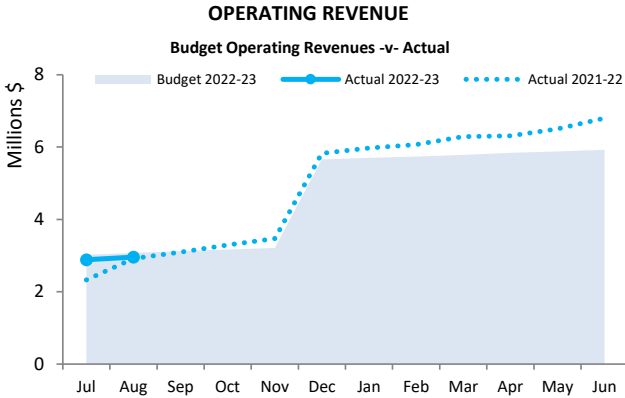
## MONTHLY FINANCIAL REPORT (Containing the Statement of Financial Activity) For the Period Ended 31 August 2022

*LOCAL GOVERNMENT ACT 1995  
LOCAL GOVERNMENT (FINANCIAL MANAGEMENT) REGULATIONS 1996*

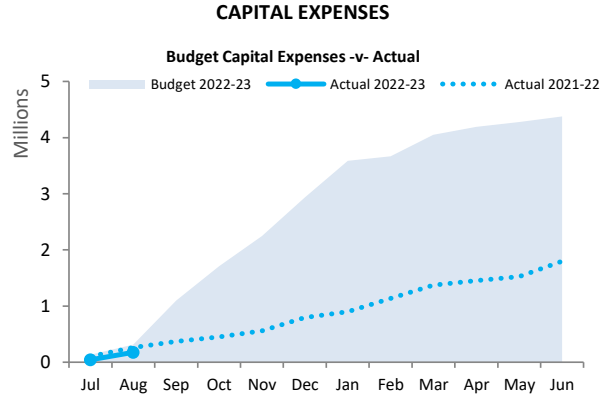
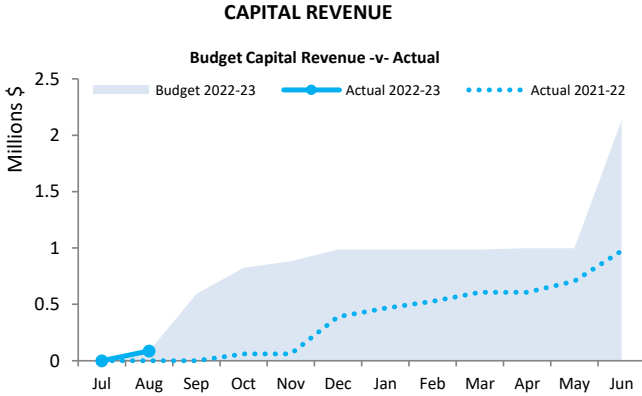
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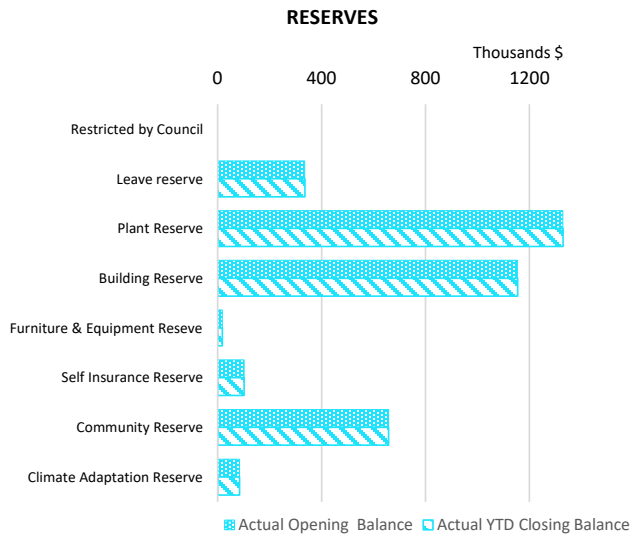
**OPERATING ACTIVITIES**



**INVESTING ACTIVITIES**



**FINANCING ACTIVITIES**



## KEY TERMS AND DESCRIPTIONS

FOR THE PERIOD ENDED 31 AUGUST 2022

## NATURE OR TYPE DESCRIPTIONS

### REVENUE

#### RATES

All rates levied under the *Local Government Act 1995*. Includes general, differential, specified area rates, minimum rates, interim rates, back rates, ex-gratia rates, less discounts and concessions offered. Excludes administration fees, interest on instalments, interest on arrears, service charges and sewerage rates.

#### OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Refers to all amounts received as grants, subsidies and contributions that are not non-operating grants.

#### NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Amounts received specifically for the acquisition, construction of new or the upgrading of identifiable non financial assets paid to a local government, irrespective of whether these amounts are received as capital grants, subsidies, contributions or donations.

#### REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue from contracts with customers is recognised when the local government satisfies its performance obligations under the contract.

#### FEES AND CHARGES

Revenues (other than service charges) from the use of facilities and charges made for local government services, rates, rentals, hire charges, fee for service, photocopying charges, licences, sale of goods or information, fines, penalties and administration fees.

#### INTEREST EARNINGS

Interest and other items of a similar nature received from bank and investment accounts, interest on rate instalments, interest on rate arrears and interest on debtors.

#### OTHER REVENUE / INCOME

Other revenue, which can not be classified under the above headings, includes discounts, rebates, reimbursements etc.

#### PROFIT ON ASSET DISPOSAL

Excess of assets received over the net book value for assets on their disposal.

### EXPENSES

#### EMPLOYEE COSTS

All costs associated with the employment of person such as salaries, wages, allowances, benefits such as vehicle and housing, superannuation, employment expenses, removal expenses, relocation expenses, worker's compensation insurance, training costs, conferences, safety expenses, medical examinations, fringe benefit tax, etc.

#### MATERIALS AND CONTRACTS

All expenditures on materials, supplies and contracts not classified under other headings. These include supply of goods and materials, legal expenses, maintenance agreements, communication expenses, advertising expenses, membership, periodicals, publications, hire expenses, rental, postage and freight, contract services, consultancy, information technology, rental & lease expenditures.

#### UTILITIES (GAS, ELECTRICITY, WATER)

Expenditures made to the respective agencies for the provision of power, gas or water. Exclude expenditures incurred for the reinstatement of roadwork on behalf of these agencies.

#### INSURANCE

All insurance other than worker's compensation and health benefit insurance included as a cost of employment.

#### LOSS ON ASSET DISPOSAL

Shortfall between the value of assets received over the net book value for assets on their disposal.

#### DEPRECIATION ON NON-CURRENT ASSETS

Depreciation expense raised on all classes of assets. Excluding Land.

#### INTEREST EXPENSES

Interest and other costs of finance paid, including costs of finance.

#### OTHER EXPENDITURE

Statutory fees, taxes, allowance for impairment of assets, member's fees or State taxes. Donations and subsidies made to community groups.

STATEMENT OF FINANCIAL ACTIVITY - SHIRE  
FOR THE PERIOD ENDED 31 AUGUST 2022

BY NATURE OR TYPE

SHIRE	Ref Note	Adopted Budget (a)	Current Budget	YTD Budget (b)	YTD Actual (c)	YTD Variance (c) - (b)	Var.
		\$		\$	\$	\$	
<b>Opening funding surplus / (deficit)</b>	1(c)	467,014	547,364	547,364	564,177	16,813	
<b>Revenue from operating activities</b>							
Rates		442,695	442,695	436,686	436,864	178	
Operating grants, subsidies and contributions	8	4,909,182	4,909,182	2,457,822	2,343,910	(113,912)	
Fees and charges		480,731	480,731	172,441	159,905	(12,536)	
Interest earnings		11,288	11,288	1,798	5,896	4,098	
Other revenue		60,400	60,400	3,900	2,814	(1,086)	
Profit on disposal of assets	5	21,225	21,225	0	8,683	8,683	
		<b>5,925,521</b>	<b>5,925,521</b>	<b>3,072,647</b>	<b>2,958,072</b>	(114,575)	
<b>Expenditure from operating activities</b>							
Employee costs		(3,439,581)	(3,439,581)	(590,284)	(591,044)	(760)	
Materials and contracts		(1,459,710)	(1,471,446)	(187,581)	(132,641)	54,940	▲
Utility charges		(48,540)	(48,540)	(11,280)	(3,826)	7,454	
Depreciation on non-current assets		(1,168,037)	(1,168,037)	(194,673)	0	194,673	▲
Insurance expenses		(171,410)	(171,410)	(85,704)	(87,190)	(1,486)	
Other expenditure - includes transfer to 1979 & 1984 Trusts		(235,722)	(235,722)	(30,469)	(58,400)	(27,931)	▼
Loss on disposal of assets	5	(13,928)	(13,928)	0	0	0	
		<b>(6,536,928)</b>	<b>(6,548,664)</b>	<b>(1,099,991)</b>	<b>(873,101)</b>	226,890	
Non-cash amounts excluded from operating activities	1(a)	1,160,740	1,160,740	194,673	(8,683)	(203,356)	▼
<b>Amount attributable to operating activities</b>		<b>549,333</b>	<b>537,597</b>	<b>2,167,329</b>	<b>2,076,288</b>	(91,041)	
<b>Investing activities</b>							
Proceeds from non-operating grants, subsidies and contributions	9	2,132,684	2,132,684	87,213	87,213	0	
Proceeds from disposal of assets	5	27,591	27,591	0	10,500	10,500	
Payments for property, plant and equipment and infrastructure	6	(3,992,038)	(4,060,652)	(292,082)	(166,891)	125,191	▲
		<b>(1,831,763)</b>	<b>(1,900,378)</b>	<b>(204,869)</b>	<b>(69,178)</b>	135,691	
Non-cash amounts excluded from investing activities	1(b)	0	0	0	0	0	
<b>Amount attributable to investing activities</b>		<b>(1,831,763)</b>	<b>(1,900,378)</b>	<b>(204,869)</b>	<b>(69,178)</b>	135,691	
<b>Financing Activities</b>							
Transfer from reserves	7	823,204	823,204	0	0	0	
Transfer to reserves	7	(7,788)	(7,788)	(1,298)	(4,984)	(3,686)	
<b>Amount attributable to financing activities</b>		<b>815,416</b>	<b>815,416</b>	<b>(1,298)</b>	<b>(4,984)</b>	(3,686)	
<b>Closing funding surplus / (deficit)</b>	1(c)	<b>0</b>	<b>0</b>	<b>2,508,526</b>	<b>2,566,303</b>	57,777	

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

This statement is to be read in conjunction with the accompanying Financial Statements and Notes.

STATEMENT OF FINANCIAL ACTIVITY - LAND TRUSTS  
FOR THE PERIOD ENDED 31 AUGUST 2022

BY NATURE OR TYPE

1979 TRUST	Ref Note	Adopted Budget	YTD Budget	YTD Actual	YTD Variance	Var.	Explanation of Variance
		(a)	(b)	(c)	(c) - (b)		
		\$	\$	\$	\$		
Opening funding surplus / (deficit)		0	0	0	0		
<b>Revenue from operating activities</b>							
Fees and charges		488,779	110,798	87,204	(23,594)	▼	Lease fees on Health Centre & nurses residences yet to be raised.
Other revenue		110,000	55,000	51,228	(3,772)		
		<b>598,779</b>	<b>165,798</b>	<b>138,432</b>	<b>(27,366)</b>		
<b>Expenditure from operating activities</b>							
Employee costs		(84,012)	(13,732)	(9,138)	4,594		
Materials and contracts		(7,200)	(1,200)	(4,584)	(3,384)		
Utility charges		(49,800)	(800)	(252)	548		
Depreciation on non-current assets		(349,963)	(58,327)	0	58,327	▲	
Insurance expenses		(295,070)	(147,535)	(149,028)	(1,493)		
		<b>(786,045)</b>	<b>(221,594)</b>	<b>(163,003)</b>	<b>58,591</b>		
Non-cash amounts excluded from operating activities		349,963	58,327	0	(58,327)	▼	
<b>Amount attributable to operating activities</b>		<b>162,697</b>	<b>2,531</b>	<b>(24,570)</b>	<b>(27,101)</b>		
<b>Investing activities</b>							
Payments for property, plant and equipment and infrastructure	6	(300,822)	(19,791)	0	19,791		
		<b>(300,822)</b>	<b>(19,791)</b>	<b>0</b>	<b>19,791</b>		
<b>Closing funding surplus / (deficit)</b>		<b>(138,125)</b>	<b>(17,259)</b>	<b>(24,570)</b>	<b>(7,311)</b>		
<i>Interfund Transfer</i>		138,125	17,259	24,570	7,311		
<b>Net Closing funding surplus / (deficit)</b>		-	-	-	-		

1984 TRUST	Ref Note	Budget	YTD Budget	YTD Actual	YTD Variance	Var.	Explanation of Variance
		(a)	(b)	(c)	(c) - (b)		
		\$	\$	\$	\$		
Opening funding surplus / (deficit)		0	0	0	0		
<b>Revenue from operating activities</b>							
Fees and charges		141,764	31,828	16,680	(15,148)		Timing of lease fees being raised.
		<b>141,764</b>	<b>31,828</b>	<b>16,680</b>	<b>(15,148)</b>		
<b>Expenditure from operating activities</b>							
Employee costs		(38,859)	(6,353)	(1,533)	4,820		
Materials and contracts		(23,000)	(3,833)	(3,171)	662		
Utility charges		(6,200)	(700)	0	700		
Depreciation on non-current assets		(56,484)	(9,414)	0	9,414		
Insurance expenses		(47,303)	(23,651)	(22,159)	1,493		
		<b>(171,846)</b>	<b>(43,952)</b>	<b>(26,863)</b>	<b>17,089</b>		
Non-cash amounts excluded from operating activities		56,484	9,414	0	(9,414)		
<b>Amount attributable to operating activities</b>		<b>26,402</b>	<b>(2,710)</b>	<b>(10,183)</b>	<b>(7,473)</b>		
<b>Investing activities</b>							
Payments for property, plant and equipment and infrastructure	6	(15,000)	0	(8,778)	(8,778)		
		<b>(15,000)</b>	<b>0</b>	<b>(8,778)</b>	<b>(8,778)</b>		
<b>Closing funding surplus / (deficit)</b>		<b>11,402</b>	<b>(2,710)</b>	<b>(18,961)</b>	<b>(16,251)</b>		
<i>Interfund Transfer</i>		(11,403)	2,710	18,961	16,251		
<b>Net Closing funding surplus / (deficit)</b>		-	-	-	-		

KEY INFORMATION

▲ ▼ Indicates a variance between Year to Date (YTD) Budget and YTD Actual data as per the adopted materiality threshold.

## EXPLANATION OF MATERIAL VARIANCES FOR THE PERIOD ENDED 31 AUGUST 2022

The material variance thresholds are adopted annually by Council as an indicator of whether the actual expenditure or revenue varies from the year to date Actual materially.

The material variance adopted by Council for the 2022-23 year is \$20,000 or 10.00% whichever is the greater.

Nature or type	Var. \$	Var. %	Timing / Permanent	Explanation of variances
	\$	%		
<b>Opening funding surplus / (deficit)</b>	16,813	3.07%		
<b>Revenue from operating activities</b>				
Rates	178	0.04%		
Operating grants, subsidies and contributions	(113,912)	(4.63%)	Timing	Refer NOTE 8 for details on operating grants.
Fees and charges	(12,536)	(7.27%)	Timing	Annual Container Park fees yet to be raised.
Interest earnings	4,098	227.92%	Permanent	Improvement in interest rates.
Other revenue	(1,086)	(27.85%)		
Profit on disposal of assets	8,683	0.00%	Permanent	Refer NOTE 5 for details on asset disposals.
<b>Expenditure from operating activities</b>				
Employee costs	(760)	(0.13%)		
Materials and contracts	54,940	29.29%	▲ Timing	Plant costs (parts & consumables) \$29k under budget. Parks & Reserves mtce \$7k under budget.
Utility charges	7,454	66.08%	Timing	
Depreciation on non-current assets	194,673	100.00%	▲ Timing	Asset module will be rolled once AFS Audit completed in December. Depreciation is non-cash with nil effect on closing surplus.
Interest expenses	0	0.00%		
Insurance expenses	(1,486)	(1.73%)		
Other expenditure - includes transfer to 1979 & 1984 Trusts	(27,931)	(91.67%)	▼ Timing	Refer Statement of Financial Activity for Land Trusts.
Loss on disposal of assets	0	0.00%		
<b>Investing activities</b>				
Proceeds from non-operating grants, subsidies and contributions	0	0.00%		Refer NOTE 9 for details on non-operating grants.
Proceeds from disposal of assets	10,500	0.00%		
Payments for property, plant and equipment and infrastructure	125,191	42.86%	▲ Timing	Refer NOTE 6 for breakdown of capital expenditure.
<b>Financing activities</b>				
Transfer from reserves	0	0.00%		
Transfer to reserves	(3,686)	(283.98%)	Permanent	Improvement in interest rates on Reserve funds held in term deposits.
<b>Closing funding surplus / (deficit)</b>	57,777	(2.30%)		

### **BASIS OF PREPARATION**

The financial report has been prepared in accordance with Australian Accounting Standards (as they apply to local governments and not-for-profit entities) and interpretations of the Australian Accounting Standards Board, and the *Local Government Act 1995* and accompanying Regulations.

The *Local Government Act 1995* and accompanying Regulations take precedence over Australian Accounting Standards where they are inconsistent.

Accounting policies which have been adopted in the preparation of this financial report have been consistently applied unless stated otherwise. Except for cash flow and rate setting information, the financial report has been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

#### **THE LOCAL GOVERNMENT REPORTING ENTITY**

All funds through which the Shire controls resources to carry on its functions have been included in the financial statements forming part of this financial report.

### **SIGNIFICANT ACCOUNTING POLICES**

#### **CRITICAL ACCOUNTING ESTIMATES**

The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets and liabilities, income and expenses.

The estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities not readily apparent from other sources. Actual results may differ from these estimates.

The balances, transactions and disclosures impacted by accounting estimates are as follows:

- estimation of fair values of certain financial assets
- estimation of fair values of fixed assets shown at fair value
- impairment of financial assets

#### **ROUNDING OFF FIGURES**

All figures shown in this statement are rounded to the nearest dollar.



**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**NOTE 1  
STATEMENT OF FINANCIAL ACTIVITY INFORMATION**

**(a) Non-cash items excluded from operating activities**

The following non-cash revenue and expenditure has been excluded from operating activities within the Statement of Financial Activity in accordance with *Financial Management Regulation 32*.

	Notes	Adopted Budget	YTD Budget (a)	YTD Actual (b)
<b>Non-cash items excluded from operating activities</b>				
		\$	\$	\$
<b>Adjustments to operating activities</b>				
Less: Profit on asset disposals	5	(21,225)	0	(8,683)
Movement in pensioner deferred rates (non-current)		0	0	0
Add: Loss on asset disposals	5	13,928	0	0
Add: Loss on revaluation of non current assets		0	0	0
Add: Depreciation on assets		1,168,037	194,673	0
<b>Total non-cash items excluded from operating activities</b>		<b>1,160,740</b>	<b>194,673</b>	<b>(8,683)</b>

**(b) Adjustments to net current assets in the Statement of Financial Activity**

The following current assets and liabilities have been excluded from the net current assets used in the Statement of Financial Activity in accordance with *Financial Management Regulation 32* to agree to the surplus/(deficit) after imposition of general rates.

	Adopted Budget Opening 30 June 2022	Last Year Closing 30 June 2022	Year to Date 31 August 2022
<b>Adjustments to net current assets</b>			
Less: Reserves - restricted cash	7 (3,679,057)	(3,679,057)	(3,684,041)
Add: Provisions employee related provisions	397,904	413,148	413,148
<b>Total adjustments to net current assets</b>	<b>(3,281,153)</b>	<b>(3,265,909)</b>	<b>(3,270,893)</b>

**(c) Net current assets used in the Statement of Financial Activity**

**Current assets**

Cash and cash equivalents	2	4,392,866	4,874,044	6,690,347
Rates receivables (incl. pensioner rebates claimable)	3	12,636	8,849	199,030
Receivables	3	345,777	415,198	199,157
Other current assets		35,351	59,748	59,748
<b>Less: Current liabilities</b>				
Payables		(109,559)	(378,496)	(161,829)
Contract liabilities & Unspent grants	9	(531,000)	(736,109)	(736,109)
Provisions		(397,904)	(413,148)	(413,148)
<b>Less: Total adjustments to net current assets</b>	<b>1(b)</b>	<b>(3,281,153)</b>	<b>(3,265,909)</b>	<b>(3,270,893)</b>
<b>Closing funding surplus / (deficit)</b>		<b>467,014</b>	<b>564,177</b>	<b>2,566,303</b>

**CURRENT AND NON-CURRENT CLASSIFICATION**

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. Unless otherwise stated assets or liabilities are classified as current if expected to be settled within the next 12 months, being the Council's operational cycle.

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**OPERATING ACTIVITIES  
NOTE 2  
CASH AND FINANCIAL ASSETS**

<b>Description</b>	<b>Classification</b>	<b>Unrestricted</b>	<b>Restricted</b>	<b>Total Cash</b>	<b>Institution</b>	<b>Interest Rate</b>	<b>Maturity Date</b>
		\$	\$	\$			
Municipal Fund - 7340 & 5474	Cash and cash equivalents	3,005,906	2	3,005,908	CBA	Variable	
Cash on hand - Float (HI & WI)	Cash and cash equivalents	400	0	400	N/A	N/A	
Term Deposit - Reserve Funds	Cash and cash equivalents	0	3,684,039	3,684,039	CBA	2.77%	Nov-22
<b>Total</b>		<b>3,006,306</b>	<b>3,684,041</b>	<b>6,690,347</b>			
<b>Comprising</b>							
Cash and cash equivalents		3,006,306	3,684,041	6,690,347			
		<b>3,006,306</b>	<b>3,684,041</b>	<b>6,690,347</b>			

**KEY INFORMATION**

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks and other short term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

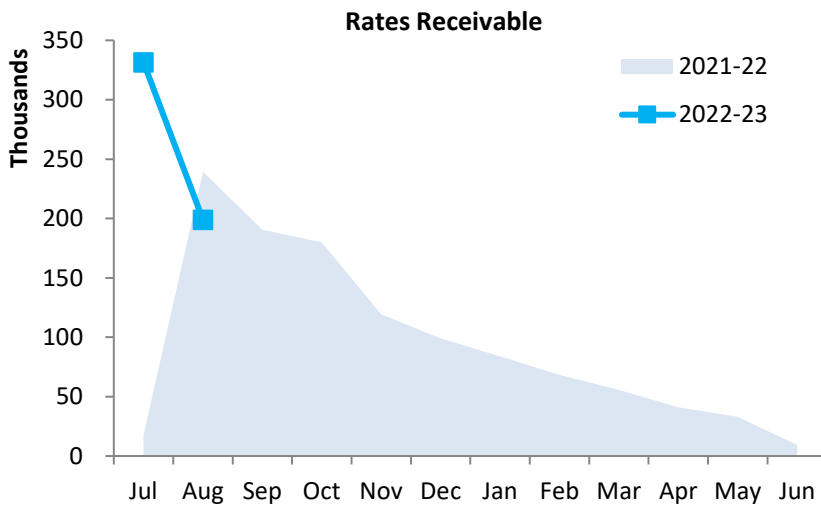
NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022

OPERATING ACTIVITIES  
NOTE 3  
RECEIVABLES

Rates receivable	Prior Year Close 30 Jun 2022	This time Last year	31 Aug 2022
	\$	\$	\$
Opening arrears previous years	26,616	26,616	8,849
Levied this year	430,999	429,297	436,864
Less - collections to date	(448,291)	(216,656)	(246,683)
Pensioner rebates claimable	(475)	(2,250)	(4,650)
<b>Net rates collectable</b>	<b>8,849</b>	<b>237,007</b>	<b>194,380</b>
% Collected	98%	47.5%	55.3%

2022/23 Rates due 31/08/2022  
Instalment Due Dates

31/08/2022  
30/11/2022  
31/01/2023  
31/03/2023



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022

OPERATING ACTIVITIES  
NOTE 4  
RECEIVABLES

Receivables - general	Credit	Current	30 Days	60 Days	90+ Days	Total
	\$	\$	\$	\$	\$	\$
Receivables - Sundry	(2,061)	133,991	20,911	10,281	29,139	192,261
Percentage	(1.1%)	69.7%	10.9%	5.3%	15.2%	
<b>Balance per trial balance</b>						
Rubbish & Swimming Pool Fees - Charged in Rates						24,404
Receivables - General Suspense						(658)
Allowance for impairment of receivables from contracts with customers						(16,850)
<b>Total receivables general outstanding</b>						<b>199,157</b>

**Sundry Debtors Outstanding Over 90 Days**

Description	Debtor #	Status / Action	\$
Kampong Lease - insurance contribution		Paying instalments	81
Kampong Lease - insurance contribution		No response to 90day letter. Debtor refusing to pay insurance.	110
Private Works - repairs to leased property		Has been making payments towards total debt.	640
Kampong Lease - insurance contribution		Has been making payments towards total debt.	237
Kampong Lease - insurance contribution		Paid 12/9/2022.	947
Kampong rental		Paying instalments for arrears.	447
Kampong Lease - insurance contribution		Paid 5/9/2022.	237
Kampong Lease - insurance contribution		No response to 90day letter - potential review lease and engage debt collection agency.	947
Kampong Lease - insurance contribution		No payments made towards insurance since 2018/19. Also has large Rates outstanding (3years). Has started to make payments on rates and has verbally agreed to work on reducing sundry debtors too.	4,415
Kampong Lease - insurance contribution		Paying instalments	213
Private Works		Part paid invoice - potentially disputing admin fee. Reminder has been sent.	316
Kampong Lease - insurance contribution		Paying instalments.	527
Kampong Lease - insurance contribution		90day overdue, breach of lease reminder to be issued.	237
Kampong Lease - insurance contribution		Paying instalments	22
Kampong Lease - insurance contribution		90day overdue, breach of lease reminder to be issued.	237
Kampong Lease - insurance contribution		Paying instalments.	809
Kampong Lease - insurance contribution		Small pmts being made monthly, but not enough to cover debt in a timely manner. Debtor is a pensioner.	1,448
Kampong rental and private works.		Paying current monthly rent but not enough to cover arrears on rent under payments and private works. Issued detailed statement of account in August.	362
Private Works May-22		Paid 1/9/2022.	365
Kampong rental		Making additional payments to cover arrears.	100
Kampong Lease - insurance contribution		Making additional payments to cover arrears.	2,522
Kampong Lease - insurance contribution & Private works		Paying instalments	1,076
Kampong Lease - insurance contribution		Paid 5/9/2022.	237
Kampong Lease - insurance contribution		Paying instalments	547
Kampong Lease - insurance contribution		Making additional payments to cover arrears.	557
Private works - vehicle disposal		Paying instalments	200
Kampong Lease - insurance contribution		No response to 90day letter - Has paid current insurance contribution but not prior period. Debtors officer to follow-up.	710
Kampong Lease - insurance contribution		Paying instalments	110
Kampong Lease - insurance contribution		Paying instalments	991
Commercial Lease - LIA Shed 2020 - 2022		Lease cancelled, final demand letter issued. Lessee is yet to remove belongings.	6,938
Kampong Lease - insurance contribution		Paid 6/9/2022.	237
Kampong Lease - insurance contribution		Paying instalments	489
Private Works - Lease Property		Final reminder to be issued.	126
Commercial Lease - Jan22-Jun22		Paid 13/9/2022.	971
Kampong Lease - insurance contribution		Paying instalments	286
Kampong Lease - insurance contribution		Has been making regular payments to cover arrears, also making payments towards Rates balance outstanding.	450
			<b>29,138</b>

Asset Ref.	Asset description	Budget				YTD Actual				Comments
		Net Book Value	Proceeds	Cost to remove from island	Profit (Loss)	Net Book Value	Proceeds (net cost to remove)	Profit (Loss)	Profit (Loss)	
		\$	\$	\$	\$	\$	\$	\$	\$	
<b>Plant and equipment</b>										
<b>Transport</b>										
PE429	Plant Replacement - Holden Crew Cab Ute	0	5,000		5,000	0	0	0	0	To be disposed once new plant arrives.
PE422	Plant Replacement - Mitsubishi Triton Crew Cab	0	5,000		5,000	0	0	0	0	To be disposed once new plant arrives.
PE1404	EziGo Electric Car (HI)	3,194	5,000		1,806	0	0	0	0	
PE709 / PE741	Boat - Quintrex K1907 & Yamaha 60HP Motor	0	0	0	0	0	1,817	10,500	8,683	Public tender August 2022. Not budgeted.
PE734	Plant Replacement - Bobcat Skid Steer	7,428	13,500	(15,000)	0	(8,928)	0	0	0	To be disposed once new plant arrives.
PE724	Plant Replacement - Rubbish Truck	0	29,091	(25,000)	4,091	0	0	0	0	To be disposed once new plant arrives.
PE727	Plant Replacement - Side Tipper	0	30,000	(25,000)	5,000	0	0	0	0	To be disposed once new plant arrives.
PE728	Plant Replacement - R35Z-9 6t with Flail Mower	0	5,000	(10,000)	0	(5,000)	0	0	0	To be disposed once new plant arrives.
PE747	Tandem Plant trailer with ramps (WI)	9,673	10,000	0	327	0	0	0	0	
		<b>20,295</b>	<b>102,591</b>	<b>(75,000)</b>	<b>21,225</b>	<b>(13,928)</b>	<b>1,817</b>	<b>10,500</b>	<b>8,683</b>	<b>0</b>

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022

INVESTING ACTIVITIES  
NOTE 6  
CAPITAL ACQUISITIONS

	Adopted Budget	Current Budget	Current YTD Budget	YTD Actual	YTD Actual Variance
<b>Capital acquisitions</b>	\$		\$	\$	\$
Buildings	2,264,392	2,279,392	207,497	110,783	(96,714)
Furniture and equipment	10,000	10,000	10,000	6,656	(3,344)
Plant and equipment	1,447,371	1,447,371	0	2,771	2,771
Infrastructure - roads	270,276	270,276	20,971	0	(20,971)
Infrastructure - Other	0	53,614	53,614	46,681	(6,933)
<b>Payments for Capital Acquisitions</b>	<b>3,992,038</b>	<b>4,060,652</b>	<b>292,082</b>	<b>166,891</b>	<b>(125,191)</b>
<b>Capital Acquisitions Funded By:</b>	\$		\$	\$	\$
Capital grants and contributions	2,132,684	2,132,684	87,213	87,213	0
Other (disposals & C/Fwd)	19,091	19,091	0	0	0
Cash backed reserves					
Plant Reserve	400,089	400,089	0	0	0
Building Reserve	235,352	235,352	0	0	0
Community Reserve	187,763	187,763	0	0	0
Contribution - operations	1,017,059	1,017,059	204,869	79,678	(125,191)
<b>Capital funding total</b>	<b>3,992,038</b>	<b>3,992,038</b>	<b>292,082</b>	<b>166,891</b>	<b>(125,191)</b>

**SIGNIFICANT ACCOUNTING POLICIES**

Each class of fixed assets within either plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Assets for which the fair value as at the date of acquisition is under \$5,000 are not recognised as an asset in accordance with *Financial Management Regulation 17A (5)*. These assets are expensed immediately.

Where multiple individual low value assets are purchased together as part of a larger asset or collectively forming a larger asset exceeding the threshold, the individual assets are recognised as one asset and capitalised.

**Initial recognition and measurement for assets held at cost**

Plant and equipment including furniture and equipment is recognised at cost on acquisition in accordance with *Financial Management Regulation 17A*. Where acquired at no cost the asset is initially recognised at fair value. Assets held at cost are depreciated and assessed for impairment annually.

**Initial recognition and measurement between mandatory revaluation dates for assets held at fair value**

In relation to this initial measurement, cost is determined as the fair value of the assets given as consideration plus costs incidental to the acquisition. For assets acquired at zero cost or otherwise significantly less than fair value, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by the Shire includes the cost of all materials used in construction, direct labour on the project and an appropriate proportion of variable and fixed overheads.

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022

INVESTING ACTIVITIES  
NOTE 6  
CAPITAL ACQUISITIONS (CONTINUED)

Account Description	Adopted	Current	YTD Budget	YTD Actual	Variance (Under)/Over	Status	Comments
	Budget	Budget					
	\$	\$	\$	\$	\$		
<b>Buildings</b>							
C267 Studio Unit Lot 198 HI	32,500	32,500	32,500	5,000	(27,500)	In Progress	Footings have been installed - awaiting transport of unit from WI to HI.
C233 Resheeting of Bungalows	235,424	235,424	13,977	0	(13,977)	Not Started	Materials have been ordered - awaiting delivery on next ship.
C143 HI Retail Precinct - Stage 2 & 3	829,376	829,376	12,697	0	(12,697)	Not Started	Works to commence November.
C254 New Houses - Home Island	65,426	65,426	65,026	69,462	4,436	In Progress	Initial scope due to be completed in October - amended design in development to enclose laundry, bathroom areas.
C268 Tokoh Building Refurbishment	1,101,666	1,101,666	68,298	1,246	(67,052)	Planning	Design progressing - awaiting updated cost estimate.
C248 Shelter - The Spot	0	15,000	15,000	35,075	20,075	Complete	Discussions with BBRF in regard to funding milestones and external labour. Works complete.
<b>Buildings Total</b>	<b>2,264,392</b>	<b>2,279,392</b>	<b>207,497</b>	<b>110,783</b>	<b>(96,714)</b>		
<b>Plant, Furniture and Equipment</b>							
<b>Furniture and Equipment</b>							
C056 Marquee - West Island	10,000	10,000	10,000	6,656	(3,345)	Ordered	Awaiting delivery.
<b>Plant Replacement</b>							
C068 Plant Replacement - C194 Cat Roller	180,000	180,000	0	0	0	Ordered	Awaiting delivery.
C237 Plant Replacement - C1081 Rubbish Truck	234,180	234,180	0	0	0	Ordered	Awaiting delivery.
C238 Plant Replacement - Bobcat (Skid Steer)	136,780	122,780	0	0	0	Ordered	Awaiting delivery.
C222 Plant Replacement - Excavator	366,411	366,411	0	2,771	2,771	Ordered	Awaiting delivery.
C215 Plant Replacement - Side Tipper	250,000	264,000	0	0	0	Ordered	Awaiting delivery.
C239 Plant Replacement - 6t with Flail Mower	100,000	100,000	0	0	0		
<b>Motor Vehicles</b>							
C552 Plant replacement - 3x Light Vehicles (Works)	180,000	180,000	0	0	0	Ordered	Awaiting delivery.
<b>Plant , Furniture and Equipment Total</b>	<b>1,457,371</b>	<b>1,457,371</b>	<b>10,000</b>	<b>9,427</b>	<b>(573)</b>		
<b>Roads</b>							
C553 Jalan Bunga Mawar - Roads to Recovery Funding 720m2	270,276	270,276	20,971	0	(20,971)	Planning	Pavers delivered - works to commence in October.
<b>Roads Total</b>	<b>270,276</b>	<b>270,276</b>	<b>20,971</b>	<b>0</b>	<b>(20,971)</b>		
<b>Infrastructure Other</b>							
C262 Birdhide - Freshwater Lagoon	0	53,614	53,614	39,231	(14,383)	In progress	Works nearing completion - final tidy up underway.
C194 Steps - Trannies Beach	0	0	0	7,450	7,450	Complete	Works complete.
<b>Infrastructure Other Total</b>	<b>0</b>	<b>53,614</b>	<b>53,614</b>	<b>46,681</b>	<b>(6,933)</b>		
<b>Shire Total</b>	<b>3,992,038</b>	<b>4,060,652</b>	<b>292,082</b>	<b>166,892</b>	<b>(125,190)</b>		
<b>Capital Expenditure - LAND TRUST ASSETS</b>							
<b>Buildings - 1979 Trust</b>							
C263 Kampong Bathroom Renewals - 1979 Trust	104,269	104,269	13,791	0	(13,791)	Not started	
C269 Kampong Kitchen & Window Renewals - 1979 Trust	196,553	196,553	5,999	0	(5,999)	Not started	
<b>Buildings 1979 Trust Total</b>	<b>300,822</b>	<b>300,822</b>	<b>19,791</b>	<b>0</b>	<b>(19,791)</b>		
<b>Buildings - 1984 Trust</b>							
C332 HI Admin Office Building Upgrades	15,000	15,000	0	8,778	8,778	Not started	\$8.8k cfwd of FY22 cladding.
<b>Buildings 1984 Trust Total</b>	<b>15,000</b>	<b>15,000</b>	<b>0</b>	<b>8,778</b>	<b>8,778</b>		
<b>Total Capital Expenditure</b>	<b>4,307,861</b>	<b>4,376,475</b>	<b>311,872</b>	<b>175,670</b>	<b>(136,202)</b>		

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**OPERATING ACTIVITIES  
NOTE 7  
RESERVE ACCOUNTS**

**Reserve accounts**

Reserve name	Actual Opening Balance	Actual Interest Earned	Actual Transfers In (+)	Actual Transfers Out (-)	Actual YTD Closing Balance	Budget Opening Balance	Budget Interest Earned	Budget Transfers In (+)	Budget Transfers Out (-)	Budget Closing Balance
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Restricted by Council</b>										
Leave reserve	335,348	454	0	0	335,802	335,348	870	0		336,218
Plant Reserve	1,328,323	1,800	0	0	1,330,123	1,328,323	1,920	0	(400,089)	930,154
Building Reserve	1,153,686	1,563	0	0	1,155,249	1,153,686	1,980	0	(235,352)	920,314
Furniture & Equipment Reserve	18,286	25	0	0	18,311	18,286	48	0		18,334
Self Insurance Reserve	101,591	114	0	0	101,705	101,591	540	0	0	102,131
Community Reserve	657,568	891	0	0	658,459	657,568	2,190	0	(187,763)	471,995
Climate Adaptation Reserve	84,255	138	0	0	84,393	84,255	240	0	0	84,495
	<b>3,679,057</b>	<b>4,984</b>	<b>0</b>	<b>0</b>	<b>3,684,041</b>	<b>3,679,057</b>	<b>7,788</b>	<b>0</b>	<b>(823,204)</b>	<b>2,863,641</b>

**KEY INFORMATION**

In accordance with Council resolutions in relation to each reserve account, the purpose for which the reserves are set aside are as follows:

Reserve name	Anticipated date of use	Purpose of the reserve
Leave Reserve	Ongoing	- to be used to fund annual and long service leave requirements.
Plant Reserve	Ongoing	- to be used for the purchase of major plant.
Building Reserve	Ongoing	- to be used for the construction of Council buildings.
Climate Adaption Reserve	Ongoing	- to be used for the purpose of providing for the needs of climate adaptation in the future.
Community Reserve	Ongoing	- to be used for the development of Home Island facilities and infrastructure.
Furniture and Equipment Reserve	Ongoing	- to be used for the purchase of furniture and office equipment.
Self Insurance Reserve	Ongoing	- to be used to ensure that Council has sufficient cover on all insurance policies



NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022

NOTE 8  
OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Operating grants, subsidies and contributions revenue						
Provider	Adopted Budget Revenue	Current Annual Budget	YTD Revenue Budget	YTD Revenue Actual	YTD Variance	Comments
	\$	\$	\$	\$		
<b>Operating grants and subsidies</b>						
<b>General purpose funding</b>						
Local Government General Purpose Grant	4,571,000	2,285,500	2,285,500	2,176,733	108,767	1st instalment paid based on 2021/22 grant.
Local Government General Purpose Grant - Roads	187,000	93,500	93,500	89,044	4,456	Final grant amount will be confirmed around September.
	<b>4,758,000</b>	<b>2,379,000</b>	<b>2,379,000</b>	<b>2,265,777</b>	<b>113,223</b>	
<b>Operating contributions</b>						
<b>Health</b>						
Dept Primary Industries - Declared Pest Program	86,832	14,472	14,472	13,783	689	Wasp Program - 2022/23 Renewal currently under negotiation.
<b>Transport</b>						
Dept. Transport - Provision of Licencing Services	64,350	64,350	64,350	64,350	0	Per service agreement
	<b>151,182</b>	<b>78,822</b>	<b>78,822</b>	<b>78,133</b>	<b>689</b>	
<b>TOTALS</b>	<b>4,909,182</b>	<b>2,457,822</b>	<b>2,457,822</b>	<b>2,343,910</b>	<b>113,912</b>	

NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022

NOTE 9  
NON-OPERATING GRANTS, SUBSIDIES AND CONTRIBUTIONS

Provider	Capital grant/contribution liabilities				Non operating grants, subsidies and contributions revenue				Comments
	Unspent Grant Liability	Increase in Liability	Decrease in Liability	Unspent Grant Liability	Adopted Budget Revenue	YTD Budget	YTD Revenue Actual	YTD Variance Actual	
	1 July 2022		(As revenue)	31 Aug 2022	\$	\$	\$	\$	
<b>Non-operating grants and subsidies</b>									
<b>Transport</b>									
R2R - Jalan Bunga Mawar	0	87,213	(87,213)	0	99,921	87,213	87,213	0	
Roads - Supplementary Funding	0	0	0	0	0	0	0	0	Contract signed Aug 2022.
Stimulus Funding FY22 - Excavator Purchase	300,000	0	0	300,000	300,000	0	0	0	Excavator ordered.
<b>Economic services</b>									
BBRF - Tokoh Redevelopment	0	0	0	0	1,091,546	0	0	0	Grant terms under review.
Economic Stimulus - HI Retail Precinct Stage 2	231,000	0	0	231,000	231,000	0	0	0	
LRCI Phase 3 - HI Retail Precinct Stage 2	205,109	0	0	205,109	273,478	0	0	0	
LRCI Phase 3 Extension - HI Retail Precinct - Stage 3	0	0	0	0	136,739	0	0	0	
<b>TOTAL</b>	<b>736,109</b>	<b>87,213</b>	<b>(87,213)</b>	<b>736,109</b>	<b>2,132,684</b>	<b>87,213</b>	<b>87,213</b>	<b>0</b>	

**NOTES TO THE STATEMENT OF FINANCIAL ACTIVITY  
FOR THE PERIOD ENDED 31 AUGUST 2022**

**NOTE 10  
BUDGET AMENDMENTS**

Amendments to original budget since budget adoption. Surplus/(Deficit)

GL Code	Description	Council Resolution	Classification	Non Cash Adjustment	Increase in Available Cash	Decrease in Available Cash	Amended Budget Running Balance
				\$	\$	\$	\$
	<b>Budget adoption</b>	OCM 22 June 2022					0
	Opening Surplus - Capital projects fwd to FY23.	OCM 24 August 2022	Opening Surplus(Deficit)		68,614		68,614
C262	Birdhide West Island	OCM 24 August 2022	Capital Expenses			(53,614)	15,000
C248	Shelter - The Spot	OCM 24 August 2022	Capital Expenses			(15,000)	0
	Opening Surplus - Operating projects fwd to FY23.	OCM 24 August 2022	Opening Surplus(Deficit)		11,736		11,736
10412240.020	Integrated Planning - Community Strategic Plan	OCM 24 August 2022	Operating Expenses			(11,736)	0
C215	Purchase of Side Tipper - per tender results	OCM 24 August 2022	Capital Expenses			(14,000)	(14,000)
C238	Purchase of Bobcat replacement - savings	OCM 24 August 2022	Capital Expenses		14,000		0
				<b>0</b>	<b>94,350</b>	<b>(94,350)</b>	<b>0</b>